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# FAS REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 21-81

WASHINGTON, May 28--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

## GRAIN AND FEED

In ARGENTINA, harvesting throughout much of the corn and sorghum growing area has been hampered because of heavy rains. About 65 percent of the corn and 60 percent of the sorghum area had been harvested prior to the onset of the heavy rains. However, it is still too early to evaluate the effects of these rains, especially if good weather is forthcoming.

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In INDONESIA, the wet season rice harvest is largely completed, pushing government-held rice stocks to 1.65 million tons at the end of April. This represents a record for this time of year, running 22 percent ahead of last year's level. With the main season crop described as excellent, domestic rice purchases by the government have proceeded at a record pace. April government purchases reached a record 488,000 tons.

## DAIRY, LIVESTOCK AND POULTRY

The EUROPEAN COMMUNITY established monetary compensatory amounts (MCA's) for the new category of 73 percent whole turkeys on May 1 with EC Commission Regulation No. 1173/81. The amounts for Germany and the United Kingdom, which are to be added to the duties on imports of whole turkeys in the 73 percent category are 1.5 cents per pound and 3 cents per pound, respectively. Amounts for 80 percent whole turkeys remain unchanged at 1.3 cents for Germany and 2.7 cents for the United Kingdom. The MCA's for turkey halves and quarters, sluice-gate prices, which are now derived from the sluice-gate price for 73 percent whole birds, have been increased by 9.6 percent. Sluice-gate prices for turkey breasts, thighs, and drumsticks will continue to be based on the sluice-gate price for 80 percent whole turkeys. The MCA's on these parts remain unchanged.

Also destination zones to be used in fixing export subsidies on eggs and poultrymeat were introduced by EC Commission Regulation No. 1175/81

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: (202) 447-7937.

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JUN 1 1981



on May 1. Exporters applying for certificates for advance fixing of subsidies must specify the zone, thus making shipments to that zone obligatory. The new zones are Zone A, the United States; Zone B, the Soviet Union and Mongolia; Zone C, Eastern Europe, except Yugoslavia, but including Afganistan and Zone D, all other destinations. This system replaces the one in effect since Jan. 25, 1980, which required that the actual country of destination be stated on the certificate.

#### HORTICULTURAL AND TROPICAL PRODUCTS

In BRAZIL, the Bahia Cocoa Trade Commission announced that the 1980/81 Bahia main crop cocoa bean harvest totaled a record 2,658,422 bags (159,505 tons), compared with the 1979/80 main crop outturn of 2,257,499 bags (135,450 tons). Although prospects for the 1981 Bahia temporao crop are not as bright as reported earlier, the harvest is expected to exceed the 1979/80 temporao production of 2,382,926 bags (142,975 tons). Total Brazilian production for 1980/81 is now forecast to approximate a record 340,000 to 345,000 tons.

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In WEST GERMANY a larger 1981 hop harvest is predicted. The total area is estimated at 19,000 hectares, 6 percent above 1980, with some 1,045 hectares in new hop gardens. So far, the development of the 1981 crop has been normal.

In 1980, hop yields were low because of adverse weather conditions, which resulted in a crop of only 26,893 tons, compared with 31,210 tons in 1979. Average hop prices increased in 1980 by 14.5 percent from a year earlier.

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The EUROPEAN COMMUNITY has announced a new three-year program to aid honey producers beginning with the 1981/82 marketing year (July 1-June 30). Subsidy payments will be made to recognized beekeeper associations to help reduce the cost of sugar fed to bees or for improvement of honey production, technology and marketing.

The subsidy assistance is placed at 1 ECU (US \$1.13) per hive. The average yield per hive in France, West Germany, Italy and the United Kingdom is 9.7 kilograms. Therefore, a subsidy of approximately 4.7 cents per pound could be given for 1981/82 honey at the current ECU rate.

Although the old premiums for denaturing white sugar for feeding bees are to be eliminated in 1981, the new payments will be broader because feed sugar grants cannot exceed 5 kilograms per hive.

The new program is expected to maintain crop yields through pollination, increase honey production and safeguard the environment, supplement farmers incomes in regions where beekeeping is important and assist producers in recovering from the effects of increased winter feed costs and poor honey production due to the unfavorable weather conditions of recent years.

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MEXICO raised import tariffs on a number of horticultural items on May 13. The duty was raised on fresh flowers from 25 to 50 percent; in-shell filberts, in-shell walnuts, fresh pistachios, fresh cherries, other preserved fruit, and most wines from 35 to 50 percent; frozen fruit and sugar and jams and jellies from 20 to 50 percent; dried dates, shelled almonds, shelled filberts, dried and/or salted pistachios, and dried cherries from 50 to 75 percent; and glazed fruit and preserved fruit in syrup from 75 to 100 percent. Imports of most of these items continue to be restricted by license requirements.

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BRAZIL has imposed individual quotas on coffee exporters at the same time that export registrations for July shipments were opened. The quotas, which apply only to sales to members of the International Coffee Organization (ICO quota markets) were assigned in proportion to each firm's 1980 exports. The action apparently was taken to protect small and middle-sized exporters from being caught in an export squeeze which is likely to result from the bumper 1981 harvest.

The Brazilian Coffee Institute (IBC) said the individual export quota system was temporary and that if the ICO should reduce Brazil's quota, the quotas of the exporters also would be proportionately reduced. IBC also indicated that assigned quotas were "non-negotiable and non-transferrable."

#### TOBACCO

The EUROPEAN COMMUNITY's Parliament has rejected the Commission's proposal for implementing the third stage of harmonization of excise taxes on manufactured tobacco products and decided to refer the matter back to the appropriate committee. In the absence of an opinion from Parliament, the Council has little option but to extend the second stage of tax harmonization by at least another six months from July 1.

#### COTTON

ARGENTINA's 1980/81 cotton crop estimate has been reduced to 413,000 bales by the U.S. agricultural attache in Buenos Aires. The deteriorating situation is attributed to excessive rains which have caused both yield reductions and complete area losses. In February, it was estimated that nearly 520,000 hectares were planted to cotton, compared with harvested area now estimated at 310,000 hectares. Argentine production estimates have declined 44 percent from the February figure of 735,000 bales. Consequently, Argentina is expected to import approximately 92,000 bales of cotton during the 1980/81 marketing year, compared with 21,000 bales in 1979/80.

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NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

World Grain Situation Outlook, FG 20-81  
Monthly Data on Meat Imports--April 1981, FLM MT 9-81  
Reference Tables on the Major Producers and Consumers of  
Sunflowerseed and Sunflowerseed Products, FOP 9-81  
World Oilseeds Situation and Outlook, FOP 10--81  
Bumper World Tea Crop Harvested in 1980, FTEA 4-81

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INTERNATIONAL WEATHER AND CROP SUMMARY, May 18-24

EUROPE--Favorable weather continued over most portions of the region. Rainfall slackened to near normal in areas where conditions had been a little too wet recently. Only light rain across Spain and Italy favored maturing winter grains, where the dry Mediterranean summer is beginning. Increasing rainfall in Poland improved growing conditions. Relatively dry weather over much of the southeast was favorable for maturing winter grains, and soil moisture remained quite adequate for spring-sown crops. Continued above-normal temperatures across the north kept all crops growing rapidly, while temperatures in the south stayed near normal.

USSR--The same high pressure system continued to dominate European USSR for the entire week. Widespread rainfall was limited to parts of Belorussia and the western Ukraine, but amounts were mostly near normal or less. Only scattered showers to the east allowed fieldwork to continue. However, the high pressure system brought cold air down the Volga Valley into the North Caucasus and eastern and southern Ukraine. Subfreezing temperatures in the Volga Valley may have caused some damage to newly germinated spring crops. On a broader scale, the cold weather will further delay crop development, with lags behind normal now exceeding a week in the Chernozem Region and increasing over the eastern half of European USSR. In the New Lands, spring grain sowing is now underway, but colder than normal weather slowed germination and early growth throughout the region. Abnormal rainfall across the southern fringes of the region provided good growing conditions. Near-normal rains further improved the outlook over much of the eastern New Lands, but dry pockets persist. Western portions of the New Lands had variable rainfall which kept soils adequately moist in nearly all areas.

EASTERN ASIA--Very little rain fell in the major winter grain belt on the North China Plain. This benefited the maturing crop in the southern portions, but northern areas could use more moisture to fill out the grains. South of the Yangtze River, rainfall increased somewhat, but mostly did not exceed normal. However, conditions in Guangxi remained too wet as above--normal rainfall continued. Rainfall in the Sichuan Valley has been above normal during recent weeks, but conditions should not be too wet for spring-sown crops. In South Korea, drier weather with temperatures near normal benefited maturing winter grains, but increased rainfall will be needed for rice.

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SOUTH ASIA--Pre-monsoon showers continued in Bangladesh and north-eastern India. Although the rainfall slackened somewhat from the preceding week, conditions remained beneficially moist for early rice. Little rain fell in dry southern and western areas of India. The monsoon seems to be approaching on schedule from the southeast.

SOUTHEAST ASIA--Another week of significant rainfall in Thailand signals a favorable start of the monsoon season for agriculture and other rain-dependent activities. Weekly totals of 100 to 200 mm in northern areas, as well as in southeastern Thailand west of Kampuchea were equivalent to normal monthly rainfall amounts for May. Elsewhere, weekly rainfall totals averaged 25 to 75 mm in the major corn and rice producing region of the central plains and eastern Thailand. The normal crop calendar shows corn in the late planting period with early seeded corn in vegetative development.

SOUTH AMERICA--Locally heavy showers of 40 to 110 mm were confined mostly to Uruguay and eastern Entre Rios Province, Argentina. Elsewhere in Argentina, weekly rainfall was generally less than 10 mm in most of the corn and soybean areas of Santa Fe, Cordoba and northern Buenos Aires. This drier weather aided crop harvests which, for corn and sorghum, is nearly three-quarters complete. Beneficial showers produced 10 to 20 mm of rain in much of the wheat area of La Pampa and southern Buenos Aires. Weekly totals of 10 to 25 mm also fell in southern Rio Grande do Sul in Brazil, but relatively dry weather prevailed in much of the wheat areas of Santa Catarina and Parana. Moisture supplies are generally adequate for planting and early growth of the wheat crop. Cooler weather is keeping crop moisture demands at seasonably low levels. In fact, during the past week cold air intrusions have brought minimum temperatures to the freezing level on two separate occasions in southern Buenos Aires Province.

AUSTRALIA--Extremely beneficial rain fell over the wheat areas, providing improved moisture for planting and germination of wheat since soil moisture reserves were low throughout much of the wheat belt. In New South Wales, weekly totals were generally 20 mm in the south and around 40 mm in the north. Coastal areas received much higher amounts as did Queensland, which received about 50 mm in the wheat areas. Rangelands also benefited from this precipitation. In South Australia and Victoria, rainfall in major wheat growing areas varied from less than 10 mm and up to 25 mm. West Australia's wheat area began to receive much needed rainfall late in the period as a frontal system brushed the southwestern portion of the continent. Additional rainfall will be needed in all areas to relieve drought conditions and sustain growth during the current crop season, but this past week's rainfall provided the necessary moisture for crop seeding in many areas.

CANADA--The wheat area of Manitoba received 10 to 50 mm of rainfall as a storm system passed through the region late in the week. The wet weather improved soil moisture conditions in the eastern wheat belt where planting of the spring wheat crop is nearly complete. In Saskatchewan, weekly rainfall was minimal, causing further depletion of soil moisture reserves which are already low in south-central portions of the province. The most recent planting reports show spring wheat about 90 percent seeded, while sowing of

spring crops is generally over 80 percent complete. Crop germination has been rated good except in south-central Saskatchewan. Weekly rainfall also was less than 10 mm in most of Alberta's wheat growing area, but soil moisture conditions are favorable for crop growth where spring planting is about 75 percent complete. The one area of concern, at present, is in south-central Saskatchewan where the lack of sufficient soil moisture may cause spotty emergence in drier portions of the wheat area.

MEXICO--Heavy rain increased some reservoir levels and soil moisture in citrus orchards and cane fields around Valles and cotton fields in the vicinity of Torreon. Also the eastern part of the Southern Plateau corn belt received beneficial rains on its young corn while the western section remained dry with crops probably under moisture stress. Sunny, hot weather over the northwest should result in good development of cotton, soybeans and summer crops with increasing need for irrigation water; spring vegetable harvesting was decreasing seasonably. Northeastern corn and grain sorghum, still in high-water use stage, had to be irrigated to maintain adequate soil moisture as rains were very light.



Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	May 26, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-12.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	202.00	5.50	-12
U.S. No. 2 DHW/HW: 13.5%.....	200.00	5.44	-14
U.S. No. 2 S.R.W.....	157.00	4.27	-30
U.S. No. 3 H.A.D.....	221.00	6.01	-09
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	156.00	3.96	-10
U.S. No. 2 Sorghum 2/.....	158.00 7/	4.01	-05
Feed Barley 3/.....	156.00	3.40	-09
Soybeans:			
U.S. No. 2 Yellow.....	300.50	8.18	-15
Argentine 4/.....	294.00	8.00	-16
U.S. 44% Soybean Meal (M.T.)..	259.00	--	-6.50 5/
EC Import Levies			
Wheat 6/.....	93.91	2.56	+25
Barley.....	69.02	1.50	+03
Corn.....	67.67	1.72	-04
Sorghum.....	63.11	1.60	-08

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

7/ May shipment

Note: Basis June delivery.

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